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The State of New Jersey ■ Office of the Attorney General

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Division of Consumer Affairs

Consumer Fraud Seminars

NEWARK— To help New Jerseyans recognize and prevent fraud before falling victim, the Division has launched “Fighting Fraud,” a new series of consumer education seminars that will reach all 21 counties during 2015. Steve Lee, Acting Director of Consumer Affairs, is personally presenting the program at each county venue.

“At the Division, we are angered by the stories of New Jerseyans being victimized by criminals who don’t think twice about telling lie after lie to steal senior citizens’ retirement savings,” Acting Director Lee said. “New Jerseyans can protect



“New Jerseyans can protect themselves simply by being aware that these frauds are out there...”

themselves simply by being aware that these frauds are out there, and by refusing to send money or personal information to anyone without taking time to stop, think, and verify whether the person contacting them is legitimate.”

From the IRS phone scam, to lottery and sweepstakes cons, to the so-called grandparent scam, the New Jersey Division of Consumer Affairs has received anecdotal information suggesting that impostor frauds and other criminal scams are more active than ever—and are preying on potential victims in New Jersey through phone calls, emails and other means.

The “Fighting Fraud” presentations include law enforcement footage of an overseas “boiler room”

that was the heart of a multimillion-dollar lottery and telemarketing scam. The footage shows now-convicted fraudsters speaking by phone with an undercover FBI agent and an actual victim, seeking to coerce them into sending a money order to eventually claim their fictional winnings from a non-existent sweepstakes. Acting Director Lee himself participated in the prosecution of this scam in his prior position as federal prosecutor.

The “Fighting Fraud” presentations touch on the various techniques that scammers use to trick their victims into sending money or personal information, and the basic steps every New Jerseyan should take when someone offers money, demands money, or asks for personal information. ■

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Meet the 2015

Consumer Bowl Champions

Governor Livingston High School in Union County won the 19th Annual New Jersey Consumer Bowl, becoming State Champions by besting Irvington High School and Gateway High School during the final round held in May at the Hughes Justice Complex in Trenton.

Consumer Bowl topics included Ponzi schemes, charitable giving, telemarketing requirements, home improvements, identity theft and automotive issues.

Intra-county competitions began in January, with the county champions facing off in regional competitions. Irvington High School represented Northern New Jersey and finished second. Gateway High School represented Southern New Jersey and finished third. Governor Livingston High School represented Central New Jersey.

Any high school wishing to participate in the 2016 Consumer Bowl may call Dulcelina Pena at the New Jersey Division of Consumer Affairs, at 973-504-6441. ■



Picture above: Governor Livingston High School, winners of the 2015 New Jersey Division of Consumer Affairs High School Consumer Bowl, from left-Teacher/Advisor Joe Hubert, Beatriz Medeiros, Sama Manchanda, Captain Christopher Weeks, Jeremy Berlinski and Alex Ju. Below, from left, second place team-Irvington High School and third place team-Gateway Regional High School, pictured with Andrew Tucker (far right), Consumer Bowl moderator and Special Assistant for the Division of Consumer Affairs



Investment Firm Cited

Finding that Montclair resident Nicholas Lattanzio, his Upper Montclair-based "Black Diamond" investment management companies, and Connecticut resident Pasquale Montesanti orchestrated an investment fraud of at least \$4 million, the New Jersey Bureau of Securities in June ordered the respondents to pay a civil penalty of \$2.5 million.

Bureau Chief Laura H. Posner made the following findings of fact, among others, as set forth in the Summary Penalty Order:

– Between October 2013 and August 2014, Lattanzio, Montesanti, Black

Diamond Capital Appreciation Fund, LP, Black Diamond Investments, LP, Black Diamond Investments, LLC; and Black Diamond GP, LLC, (the "Black Diamond Entities") offered to help investors find outside funding for various business projects.

– To have access to this outside funding, investors were required to first make a "capital deposit" investment with one of the Black Diamond Entities.

– The Respondents falsely represented that this "capital deposit" would be invested in various "highly liquid fixed income"

securities and that investor funds would be secure and available to be returned if the funding fell through.

– Rather than invest client "capital deposits" as represented, the Respondents quickly misused more than \$4 million of investors' funds for the personal benefit of Lattanzio, Montesanti and their families.

In addition to the \$2.5 million civil monetary penalty, the Penalty Order prevents the respondents from offering investment advice or selling securities unless registered with the Bureau. ■